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## France

### Food Service - Hotel Restaurant Institutional

## 2015

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**Report Highlights:**

For the first time in ten years, sales in the Hotel, Restaurant and Institutional (HRI) sector in France decreased by 0.3 percent with estimated sales at \$106.10 billion. Also, and for the third year in a row, the average meal expense decreased in 2014 to \$10.76 (8.82 euros), while the number of meals served continued to increase. This is explained by the shift of consumers to lower-cost meals and snack alternatives, such as fast food outlets, coffee shops, food trucks and carry-out chains. It also reflects changes in snacking habits and a preference for cheap, fast but healthy meals. This is increasing pressure on traditional and independent restaurants and cafes that are losing price-conscious consumers.

Best prospects for U.S. suppliers targeting the HRI sector are fish and seafood, dried fruits, fruit juices and sodas, hormone-free high quality beef, frozen foods including desserts, quality wines, salad dressings, sauces, and spices.

**Post:**

Paris

**Author Defined:**

Note: Exchange rates used in this report are as follows:

Calendar Year 2013: US Dollar 1 = 0.75 Euros

Calendar Year 2014: US Dollar 1 = 0.82 Euros

(Source: The International Monetary Fund)

**SECTION 1. MARKET SUMMARY****1. France in Profile**

According to French Institute for Economic Statistics (INSEE) and International Monetary Fund sources, the population of France was 66.3 million as of January 2015, including overseas territories. The estimated GDP reached \$2.6 trillion, and the per capita gross domestic product was valued at \$54,549. In 2014, France lost its rank as the fifth largest world industrialized economy having been surpassed by the United Kingdom. The food industry in France is valued at \$192 billion (a decline of 0.8 percent compared to 2013). The food industry is the leading industry in France far ahead of the country's automobile industry.

As a result of ongoing economic difficulties, consumers continued to reduce spending in 2014, including expenditures in the food service sector. As a result, the frequency of restaurant visits dropped by 1.1 percent compared to 2013, although reductions in total sales were partly offset by price increases. According to the food consultant Gira Conseil, the global market for food consumption outside home decreased by 0.3 percent in 2014, the first decrease in ten years. Only the total number of meals served in the HRI sector continues to increase reaching about 10 billion meals served outside home this year. In addition to the economic crisis, consumer expectations are changing, and the food service market is being forced to adapt. Many traditional restaurant outlets are lagging behind in respect of investment, introducing new concepts, service, and the quality/price ratio.

While traditional restaurants, fast food outlets, and hotels/resorts experienced sales declines in 2014, alternative food outlets increased their sales by two percent. All types of food service outlets increased their prices to compensate, even though this could potentially push customer visits down even further.

Innovation in the market is dynamic, with some outlets introducing new concepts, others seeking to boost wine consumption, some highlighting their culinary specialties, and efforts to provide customers

with fast and high-quality service. Counter sales continue on a growth path. There are growing numbers of ethnic and exotic cuisines, development of sweet snacks, creative work around bread outlets, and the arrival of foreign outlets and other ready-to-eat foods.

## **2. Food Service Sector**

The consumer foodservice sector in France is fragmented, with independent domestic operators dominating outlets and sales. They are notably present in cafes/bars, full-service restaurants, bakeries, and fast food. The undisputed overall leader was McDonald's France in 2014. Despite an already well-established presence in the country, its strength is due to a progressive shift towards sustainability, promotional operations, discounts, and the success of its in-store McCafe. Other notable successful brands were Subway, KFC, Quick, and La Pataterie. They have some points in common, such as accessible prices and a strong focus on franchising that enabled them to open many outlets and the possibility to open new format outlets, such as El Rancho Express on highways.

Independent outlets continued to account for almost three quarters of overall value sales in 2014. They benefitted from a strong knowledge of the local economy and their clients and often had a better quality image than their counterparts. However, this image is changing as numerous chains, supported by well capitalized companies are developing with a local vibe, an accent on quality, and innovations in terms of products and services. In the continuing economic gloom, French consumers perceived chains as better value for their purchasing power, as consumers are looking to reduce their household expenditures in some areas, including foodservice. In 2014, traffic and transactions are expected to remain at lower levels in the foodservice sector. In order to save money, some consumers would increasingly prefer to purchase their lunch from fast food outlets and street kiosks rather than from full-service restaurants. To build customer loyalty and attract new ones, the professionals of the sector would have to intensify continuing efforts to renew their concepts, including expansion of conviviality offers, self-service applications, Wi-Fi, etc. Also, the "green" fast food segment highlighting health and environmental concerns should continue to develop.

Between 1992 and 2014, the percentage of food in the household budget decreased from 26 to 13 percent, while during the same period household budgets dedicated to meals away from home increased from four to five percent. This slight increase is mainly attributed to more females being in the working population and less time to prepare meals. The French Institute for Economic Statistics (INSEE) estimates the percentage of consumers eating outside the home will reach 20 percent by 2020. Overall sales in the hotel, restaurant and institution (HRI) sector have grown steadily over the past five years. But, with the continuing economic gloom, there was a traffic drop of 2.2 percent in 2012, 1.3 percent in 2013 and 1.1 percent in 2014. For the first time over the last ten years, sales in the HRI sector decreased by 0.3 percent with estimated sales at \$106.10 billion (87 billion euros).

Best prospects for U.S. suppliers targeting the HRI sector are fish and seafood, dried fruits, fruit juices and sodas, hormone-free high quality beef, frozen foods including desserts, quality wines, salad dressings, sauces and, spices.

The HRI sector consists of two sub-sectors:

- Commercial Catering:

Eighty percent of the HRI sector by sales. The commercial catering includes traditional restaurants, hotels and resorts, leisure parks, cafeterias, cafes, brasseries, fast food outlets, and street vendors. In 2014, sales by traditional restaurants represented approximately 55 percent of the sector. Sales by fast food, cafeteria, cafe and brasserie outlets represented about 25 percent.

- Institutional Catering:

Twenty percent of the HRI sector by sales. The institutional catering includes education, healthcare, business catering, schools, hospitals, factory restaurants, and air and sea catering. In 2014, sales totaled \$26 billion for about 3.8 billion meals served.

#### Commercial Catering:

2014 shows a decrease in commercial catering activity, both for traditional table catering and fast food outlets. Globally, the attendance in commercial catering establishments in 2013 declined 0.64 percent from the previous year. Despite of price increases, sales in commercial catering slightly dropped in 2014, but benefitted certain categories of fast food outlets to the detriment of traditional table restaurants. As a result of the continuing economic slowdown, as well as unemployment increase, the purchasing power of French consumers is severely impacted. At the beginning of 2014, France continued along the same lines as in 2013 to further reducing their visits to commercial catering outlets, increasingly going to low-price fast food outlets not only for lunch but sometimes also for dinner.

#### Institutional Catering:

In 2013, sales increased by 4.5 percent compared to the previous year. Economic woes encouraged workers to frequent company-provided cafeterias for low-cost meals. The requirements of feeding an aging population, either in institutions or through home-delivered meals, kept institutional cater demand strong. Operators remained confident despite a fiercely competitive environment with vigorous price negotiations. This sector is expected to continue its growth trend. Education (at schools, universities) and business catering sectors are growing more slowly than the healthcare and hospital sectors, mainly due to an aging population.

### ***Advantages, Opportunities and Challenges Facing U.S. Products in France***

Advantages/Opportunities	Challenges
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The HRI sector growth trend.	Domestic and intra-EU products supply a high proportion of French food and beverages needs.
Growing demand for fast food mainly at lunch time; suppliers may find a niche (soups, fruit juices, sodas, etc.)	Due to the economic situation, future growth in fast food sector will necessitate outlets development strategies.
Despite decreasing purchasing power, household budget spent on food purchases remains relatively high	Reduced consumer budget due to price-conscious consumers
T-TIP agreement could reduce custom duties in coming years.	Weakness of the Euro vis-a-vis the U.S. dollar does not benefit U.S. products
Decreasing European and French fish/seafood catch.	Fierce competition places enormous pressure on suppliers
France is Europe's leading beef meat consumer, primarily for natural and lean meat. Increased quota for non-hormone beef imports enlarges market opportunities.	Suppliers must comply with European and French regulations such as food safety, logistical constraints, labeling regulations, and ban on beef produced with growth promoting hormones
Consumers demand quality, innovative, healthy and reasonably priced products.	U.S. suppliers must adapt products and prices to consumer tastes and expectations
"American" type fast foods, as well as ethnic cuisine remain quite popular in France and the food processing industry is raising demand for food ingredients.	U.S. suppliers to comply with European and French regulations as certain food ingredients are banned or restricted from the market

### 3. Commercial Catering

In 2014, trade sources valued the commercial catering sector at \$89 billion, with about 10 billion meals served annually. This sector consists of:

“ Traditional restaurants, including chains: This includes individual owner restaurants, multi-restaurant companies, and large corporations, which represent nearly 57 percent of the commercial catering sector. A large number of restaurants in and around Paris, and in other major French cities, are medium/high end restaurants serving a wide range of traditional food, although an increasing number specialize in cuisine from Asia, Africa, India, and the United States. In 2013 and 2014, the increase in unemployment and decrease in purchasing power pushed French consumers made budget cuts. Both food and clothing were categories where French households reduced expenditures. Consumers concerned about their purchasing power favored fast food, home delivery/take away sectors over traditional restaurants. In 2014 restaurant meals continue to rise despite the increase of the value added tax from seven to ten percent and the tax on soda beverages.

Per trade sources, to adjust to the economic crisis and changing consumer behavior, traditional restaurants need development strategies to differentiate them from the fast food and to become more competitive.

“ Cafeterias, Cafes and Brasseries are operated by individuals, companies, and large corporations.

After over thirty years of decline, cafes and bars diversified to attract new consumers. In rural areas, cafes are often the only businesses remaining and become a multi-service point. In urban areas, they developed new activities and pay more attention to decoration, cleanliness, and innovations. They also often offer light catering and most are operated by individual businessmen with a small number of employees. Cafeterias, cafes and brasseries generated an estimated \$7 billion.

“ Fast food outlets, including street vendors: this segment represents the most dynamic and promising sector (54 percent of sales of the sector) with an estimated four percent growth, and annual sales of \$45 billion in 2013. The sector operated by companies and large corporations has been able to better resist the economic slowdown by combining price (cheap meal solutions), and time and quality (upscale products and new attractive store concepts). The global picture of this sector was more contrasted in 2014 though. Fast food outlet sales globally decreased, except for the theme fast foods. Food sales in U.S.-style fast food restaurants, led by McDonald’s and followed by Quick, a distant second, have experienced a drop in their sales in France (7 percent for Mc Donald in 2014). Most U.S.-style fast food restaurants procure food inputs from France and Europe. For example, 95 percent of McDonald’s food purchases for its French restaurants are from France and Europe. Directly imported from the United States, food trucks are in the process of becoming a new street food mode with over 350 food trucks registered throughout France since two years. This concept offers ethnic cuisine, such as American, Asiatic, Mexican, and organic.

The growth of the themed fast food restaurants/street vendors sector is partly due to enthusiasm for snacking, but also to the fact that French consumers are more and more price conscious. They increasingly prefer having a snack break or quick a meal rather than going to a traditional seated restaurant. The goal is to eat faster, cheaper, and more practically. In the snacking segment, 70 percent of sales are with the traditional sandwich with “baguette” although the demand for complete healthy, gourmet style “home-made” and vegetarian/ethnic sandwiches prepared with various ethnic new products is growing.

For long, the term “fast food” has not had a very good connotation in France. It recalled fat and “junk” hamburger food. Conscious of the consumer demand for healthy/dietetic/organic products and balanced meals, the fast food chains have re-invented the composition of their menus. Communication campaigns for the major food service group reflect this change.

“ Delivering catering, including ethnic (e.g., sushi): A competitive sector operated by companies and large corporations, this growing segment of commercial catering is comprised generally of delivery meals (mainly to companies) and pizza delivery (mainly to households). Sushi Shop, the French leader in sushi delivery, continues to invest in neighboring countries and in 2014, its sales reached \$145 million. However, competition is getting fierce and Eat Shushi, number three in France, expects to become number two in 2015 with the opening of its new concept “Eat Shushi Drive”. Ethnic restaurants, that notably capitalize on cooking in front of customers, on conviviality, exoticism such as Tex-Mex, tapas, wok and sushi, should forge ahead.

“ Hotels and resorts with restaurants - These establishments are operated by individual owners, companies or large corporations and account for about six percent of the commercial catering market with over 18,500 restaurants. In general, most of the French do not frequent hotels for their restaurants, except for dinner when traveling, with the exception of a small number of luxury hotels with well-known restaurants, classified by famous guides, such as “Michelin”, “Gault & Millau” or “Pudlo.”

These restaurants serve a wide range of traditional and ethnic foods.

“ Leisure parks - France has about 90 leisure parks, three of which are world-class (Disneyland Paris, Parc Asterix and Futuroscope). Disneyland Paris has about 15 million visitors annually. Disneyland represents the first French restaurant owner with 68 restaurants (bars, lounge, etc.) with various themes of food, and over 35,000 meals served daily. Disneyland Paris has its own central buying office: “Convergence Achats.”

Asterix, a French history themed park, is the second largest leisure park in France and serves about two million meals yearly. Asterix serves only traditional and neo-traditional French food. The third largest is Futuroscope serving approximately one million meals per year.

### 3.2 Company Profiles

The table below provides information on leaders, challengers and emerging groups in the French commercial catering sector with sales in 2014 (without tax) over \$14 million. Not listed in the table below are fifteen fast food small groups (fast casual, ethnic and burger/bagels/hot dogs), with sales under \$7 million.

Note that sales of leading groups in 2014 represent an increase of 0.3 percent over the previous year with an average price meal increase of 12 percent over the previous year.

Challenging groups maintained their overall sales up with an average of six percent, while the emerging groups showed sales difference depending of their store concepts with an average sales increase of four percent from 2013 to 2014.

#### *Major Companies in the Commercial Catering Sector in France Calendar Year 2014*

Rank	Groups	Brands	2014 Sales (without tax and in Million \$)	Sales percent Change 2013/2014	Number of Outlet
1	McDonald's France	McDonald's	5,059 (*)	-7.0 (*)	
2	Agapes Restauration	Amarine, Flunch, Pizza Pai, Il Ristorante, 3 Brasseurs, Sogood, Salad & Co., Bistrot du Boucher, Assiette de Bœuf, Sushi, Partenariat	1,149	-1.2	
3	France Quick SAS		998	-4.9	
4	Elior		848 (*)	-3.9 (*)	
5	Yum	KFC France, Pizza Hut	682 (*)	+7.2 (*)	
6	Buffalo Grill	Buffalo Grill, Pizza Pub	574	-1.5	



7	Groupe Flo	Grandes Brasseries, Hippopotamus, Bistro Romain, Tablapizza, Taverne de Maitre Kanter, Brasseries Flo	552	-8.1	
8	Bertrand Restauration	Au Bureau, Cafe Leffe, CharlieBirdy, Angelina, Bert's, Eris, Burger King	549	+66.7	
9	Le Duff	Brioche Doree, Le Fournil, Del Arte, Bruegger's	548 (*)	+6.7	
10	Holder	Paul, Laduree	467 (*)	N/A	
11	Sodexo Sport et Loisirs	Various Outlets	415	+1.5	
12	Newrest		402	+133.7	
13	Casino Restauration	Casino Cafeteria et Comptoirs Casino, A la Bonne Heure, Cœur de Ble, Villa Plancha	378 (*)	N/A	
14	Courtepaille		351	+2.3	
15	Subway France		252	-1.4	
16	Autogrill		242	-3.0	
17	SSP	Various Outlets	238 (*)	N/A	
18	Domino's France		220	+8.5	
19	Lagardere Services	Relay, Relais H Cafe, Trib's, Hublz, Rustichelli Mangione, Chez Jean, Bread&Co, Kapana (franchise), Eric Kayser (franchise), Cafe Leffe (franchise)	208	+13.6	
20	La Patateie		188	+0.5	
21	Monts Fournil	La Mie Caline	171	+4.5	
22	Sushi Shop		145	+0.2	
23	Leon de Bruxelles		142	+0.3	
24	Cora		133 (*)	--	
25	La Boucherie		128	+11.7	
26	Ikea France		127	--	
27	Groupement des Mousquetaires	Poivre Rouge, Bistrot du Marche	124	+4.8	
28	Crescendo		119	+1.2	
29	Campanile		119	-4.0	
30	La Croissanterie		115	+1.1	
31	Starbucks Coffee		112 (*)	+8.3	

32	MDP Franchise	Moulin de Paiou	24	-10.4	
33	Tommy's Diner		24 (*)	--	
34	Coop Atlantiques	Toquenelle	22 (*)	N/A	
35	Hard Rock Cafe		22 (*)	N/A	
36	Compass France	Mediance	21	-1.1	
37	Matsuri		21	-9.1	
38	Illy Cafe	Espressamente Illy	21	-7.6	
39	Frog Pubs		20	+1.9	
40	Madeval SNC	La Paracrepe	19	-4.8	
41	Garden Ice SA	Garden Ice Cafe	18 (*)	N/A	

(\*) Press data or Tendances Restauration Estimates

N/A: Not Available

Sources: Tendances Restauration + Food Service Vision

## SECTION II. ROAD MAP FOR MARKET STRATEGY

### A. ENTRY STRATEGY

Most large restaurant businesses, including chains offer local cuisine and use imported products only if local alternatives cannot be found. Niche opportunities for U.S. suppliers exist for a range of diverse products, such as the following: fish/seafood, sauces (prepared sauces or dehydrated sauce bases) and salad dressings, rice, a variety of food ingredients, wine, fruit juices, and frozen ethnic/regional food service meals.

U.S. exporters should consider the financial strength, number and location of outlets, menu diversification, and purchasing policy of the business when targeting major restaurants or chains. Exporters should also consider the following in formulating their entry strategy:

- Check EU and French regulations, e.g., hormone-free meat, biotech regulations, and carefully verify the acceptability of each product's ingredients and additives. For information on EU regulations, visit the following website: <http://www.useu.be>. Note that French consumers are said not to be very receptive to products of agricultural biotechnology. In addition, the allowable low-level presence for EU-approved biotechnology events is set at 0.9 percent. Above this level, all products must be labelled as containing biotechnology. Such products are generally not marketed at the retail level in France. The same applies for the food service industry. The Fraud Control Office (DGCCRF) of the French Ministry of Economy is the French enforcing authority. For more details on EU regulations, see [FAIRS Report](#) (Food and Agricultural Import Regulations and Standards Narrative), and on France's implementation, see France [Annual Biotechnology report](#).
- Check EU and French food safety requirements.
- Verify the price competitiveness of the product compared to local and other imported products; check customs clearance requirements and any additional import charges based on sugar, milk, fat and starch

content.

- Identify local agents/distributors that can promote and distribute U.S. products to restaurants that order small volumes on a regular basis.

## B. MARKET STRUCTURE

### 1. Distribution Channels

Some restaurant chains have their own central buying offices, but most, including traditional restaurants, as well as hotels and resorts, buy through cash and carry channels or specialized wholesalers.

*Cash and Carry* wholesalers display a wide selection of food and non-food products in large stores. They sell to food retailers, food-service sector restaurants and restaurant chains. Cash and Carry offers competitive prices, a variety of products, extended operating hours and immediate product availability. Major cash and carry groups are Metro (French subsidiary of Metro/Germany) and Promocash (a subsidiary of Carrefour) together representing more than 75 percent of total sales in the wholesale sector.

*Specialized Distributors/Wholesalers* have, as their main activity, distribution of food products. They have dry and cold storage facilities with refrigerated/freezer trucks for deliveries. They buy from processing companies, foreign exporters or importers. Their largest clients are in the catering sector.

#### *Major Specialized Distributors/Wholesalers for the Food Service Sector*

Name of Wholesaler/Distributor	Specialization
Pomona (Privately Owned)	Fresh fruits and vegetables
Transgourmet (Coop & Rewe group, Swiss and German groups)	All fresh and frozen foods, including seafood and meat as well as frozen food (Prodirest)
Davigel (subsidiary of Nestle)	Frozen food and seafood
Brake France (subsidiary of Brake Bros, U.K.)	Frozen food and seafood
Demarne Freres (privately owned)	Fresh/chilled and frozen fish and seafood
PRF (privately owned)	Fresh/chilled and frozen fish and seafood
Francap Distribution (group of independants)	Buying office and wholesaler for small supermarkets and restaurants

Source: Neo-Restaurations Magazine

*Top-Four Hotel and Resort Chains in France and Europe  
with Restaurant and Catering Services*

<b>Group Name</b>	<b>Nationality</b>	<b>Hotel Resort Name</b>	<b>Purchasing Sources</b>
Accor	French	(Etap Hotel, Formule 1, Ibis, Mercure, Novotel, Sofitel, All Seasons, Pullman, Thalassa Sea & Spa, Adagio, The Sebel, MGallery)	Importers/wholesalers/direct or cash & carry
Groupe Louvre Hotels	French	(Premiere Classe, Campanile, Kyriad, Tulip In, Golden Tulip, Royal Tulip)	Importers/wholesalers/direct or cash & carry
The Intercontinental Hotels Group	Multinational (Headquarters in the U.K.)	(IHG Intercontinental, Crowne Plaza, Holiday Inn, Hua Luxe, Hotel Indigo, Even Hotels, Staybridge, Candlewood Suites)	Importers/wholesalers/direct or cash & carry
Choice Hotels	U.S.	(Comfort, Quality, Sleep Inn, Clarion)	Importers/wholesalers/direct or cash & carry

Source: La Revue HRC (hotel, restaurant, cafe)

## 1. Institutional Catering

In 2014, over 30 percent of the private companies or institutions had a contract with a catering company. The institutional catering sector represents about 20 percent of the HRI market and records about 73,000 restaurants with total sales estimated at \$26 billion, and approximately 3 billion meals served. Institutional catering is another means of eating outside home, which complements the commercial catering; the customer does not pay the real price for products, a large part being paid by the employer or the institution. Considering that 56 percent of the meals are taken outside home, the institutional catering is shared by the company segment (8 percent), the health segment (39 percent), the school segment (38 percent), and the other institutional authorities (15 percent). Although the sector is on the rise (up 5 percent in 2013), it faces difficulties with the food industry suppliers and has had to adjust as sanitary and health regulations become more and more stringent. The operators of that sector also need to adjust to new consumer food habits (health conscious, take away, etc.) However, per trade sources, the institutional catering market should continue increasing to reach 3.8 billion meals by 2015. This sector includes:

- **Contract Catering Businesses**

This includes company restaurants, schools and universities, hospitals, nursing and retirement homes

and is dominated by specialized companies such as Sodexho, Elicor and Compass. In 2014 and coming years, operators have to face changing consumer habits and the strong appeal of commercial catering. The catering companies will have to continue to adapt to the difficult economic situation and to the site closures of many companies. Finally, to remain competitive, the operators had to maintain a moderate price point without sacrificing the quality. Catering companies operating in government institutions have suffered less than the ones working in the private sector. Another point to be highlighted is the drop of complementary offers (room service, event, cocktails and receptions) this year due to the economic downturn.

- Concession Catering

Concession catering includes transportation catering (highways, railway stations and airports), as well as in-town and leisure catering (museums, exhibition and sport centers). This segment is growing and looks promising in the future.

The Sodexho group is the largest company in this segment, immediately followed by Elicor Group, the Compass group (mainly supplying airports), Autogrill (highways and railway stations) and Horeto (city sites and leisure sites).

- Air and Sea Catering

In France, the major supplier in this segment is Servair (subsidiary of Air France). Most of the food purchased by Servair is of French origin. Second, but far behind, is Catair, a subsidiary of Eurest (Compass Group).

The leader in France for sea catering is Cofrapex (subsidiary of Metro/Cash and Carry).

## **A. SUB-SECTOR PROFILES**

The institutional catering sector in France has three major players Groupe Sodexho France, Elicor, and Compass Group France (representing 84 percent of the market share), 14 medium-sized regional companies and 17 small companies. This sector had a medium growth of five percent for the last fifteen years. The table below reflects the major groups and businesses in the overall institutional catering sector.

### ***Major Groups and Businesses in the Institutional Catering Sector, Calendar Year 2013***

<b>Rank</b>	<b>Group/Firm</b>	<b>Estimated Total Sales (in Million dollars)</b>	<b>Sales % Change 2013/2012</b>	<b>Number of Restaurants</b>	<b>Estimated Meals Served (in Million)</b>
1	Groupe Elior	2,802	+2.8	5653	352
2	Groupe Sodexo France	2,768	+1.4	4620	332
3	Compass Group France	1,587	+0.8	2390	203
4	Api Restauration	494	+10.8	1727	105
5	Dupont Restauration Group	214	+2.1	461	41
6	Convivio Group	135	+10.0	228	30
7	Multi Restauration Service (MRS)	121	+17.8	149	13
8	R2C (Casino Cafeteria)	101	+10.0	N/A	N/A
9	Apetito France	56	-6.0	140	7
10	Coralys	44	+12.6	177	7

N/A: Not Available

Source: NeoRestauration Magazine

### **Major Companies in the Health and Elderly Care Segment**

Based on the increasing number of elderly people, operators deploy their services in retirement homes. Small non-profit structures are giving way to specialized operators. The population aged 75 and over is expected to increase 2.5 times between 2000 and 2040, to more than 10 million people. Sodexo leads this sector and its sales in the health and elderly care segment represent 18 percent of the total sales of the group. The firm works to provide balanced food for residents. The key to success is the development of targeted offers based on specific demand. Opportunities exist for U.S. suppliers of frozen foods, and prepared meals.

### **Top Companies in the Education (School and University) Segment**

The catering companies at school integrate more and more organic products in the menus and purchase more and more products from local/regional suppliers. The question of having a balanced meal in school cafeterias and the fight against obesity are becoming essential matters. Sustainable and organic foods are now considered a cornerstone of school diets. Although the catering companies are more and more present in elementary schools and high schools, as well as colleges. Supplying food in universities and colleges will be a promising market for institutional catering. Opportunities exist for U.S. suppliers of organic products.

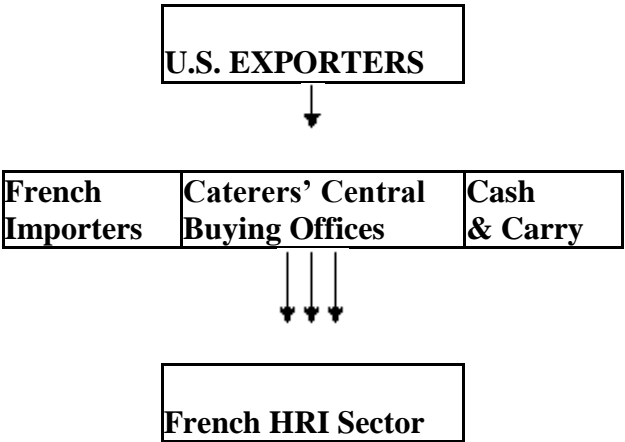
### **Top Groups/Firms in the Company Catering Segment**

The sector shows overall growth in number of meals served and offers opportunities for U.S. suppliers of sophisticated, innovative and quality semi-prepared meals, including fish and seafood.

**Other Institutional Catering Sector: Army and Prisons**

Sales in army and prison institution caterings represent about one percent of the institutional market sector. Nevertheless, the opening of the French army, as well as the development of the penitentiary sector, to institutional catering is very promising. Supplying the army and the prisons requires a well-capitalized company. The catering companies Apetito France and Groupe Sodexho have already started to invest in these sectors.

**Entry Strategy**



Major operators from the institutional catering sector often buy through central buying offices to ensure that all sanitary and health requirements are met. These central buying offices negotiate with potential suppliers based on specific requirements. Suppliers are selected primarily on price and quality basis.

**SECTION III. COMPETITION IN THE COMMERCIAL AND INSTITUTIONAL SECTORS**

Domestic food and beverage products dominate the French HRI sector. Seventy-five percent of imports originate from EU member countries which have several advantages in terms of reduced tariffs and transportation costs relative to third country imported products. The table below shows the major supply sources of imported food and beverages.

Product	Import Market Size,	Major Suppliers	Market Summary

	(In Billion Dollars)		
Fish and seafood	5.1	Norway, United Kingdom, USA	Norway and U.K. are both very price competitive and able to supply the fish and seafood varieties demanded by local consumers.
Sauces, salad dressings and seasonings	0.7	EU countries USA	Price competitive and no custom duties for EU suppliers. However, the U.S. is able to supply a variety of ethnic/regional sauces.
Canned fruits and vegetables	0.6	West and Eastern Europe and Morocco	Price competitive. No duties for EU imports.
Beef, Bison meat	N/A	Canada, USA	Although France produces some bison meat, Canada remains the major supplier. U.S. bison meat is less price competitive than Canadian meat.
Wine	1.1	Italy, Spain, Portugal and New World wines, including USA.	Price competitive since no duties inside the EU. Curiosity for new products and quality create opportunities for US wines.
Fruit Juices	1.3	Brazil, Spain, USA	Lower prices from Brazil and Spain. However, Florida juices have a good reputation.
Ethnic Foods	N/A	China, Japan, India, Africa, USA	Rising sales of Tex-Mex products. Opportunities exist for other U.S./regional cuisines, such as Cajun.
Ready-to-eat meals	N/A	EU countries. China, Japan, India, Africa	France is a large manufacturer of ready-to-eat meals. Imports from other countries offer competitive prices.
Dried fruits and nuts	0.3	USA, Turkey, Iran	Lower prices from key supply countries. However, U.S. products dominate in almonds and pistachios.
Fresh fruits (including grapefruits and exotic fruits)	5.4	Spain, Italy, Morocco, Israel, South Africa and USA	Preference is given to EU suppliers and neighborhood countries having special tariff rates. However, Florida grapefruit is a market favorite.
Rice	0.5	Thailand, China, India, USA	Thailand, China and India offer quality and low price products. The U.S. mostly exports brown rice.

N/A: Not Available

Source: Trade Sources and Global Trade Atlas/French Customs

#### SECTION IV. BEST PRODUCT PROSPECTS



- Best opportunities for U.S. frozen foods in the HRI sector are for fish and other seafood, meat, frozen desserts (such as cakes and ice creams), ready-to-eat meals and ethnic/regional sides or meals and bison meat.
- Other opportunities for U.S. suppliers include: fruit juices and soft drinks (including flavored spring waters), dried fruits and nuts, fresh fruits including grapefruits and exotic fruits, vegetables, snack foods, tree nuts, ethnic products, seafood, soups, breakfast cereals, bison meat, and pulses. There is also a demand for salad dressings, tomato sauces, and spices.

### **SIRHA 2017**

*(Salon international de la Restauration, de l'Hôtellerie et de l'Alimentation), to be held in Lyon, France, January 21-25.* It represents the leading international event for the hospitality, restaurant, catering and food service industries. Sirha is a unique, interactive show, with innovation at the very core of the event, where the energy of exhibitors and visitors alike is focused for the benefit of tomorrow's catering trends.

## **SECTION V. POST CONTACT AND FURTHER INFORMATION**

### **Internet Home Pages**

Internet home pages of potential interest to U.S. food and beverage exporters are listed below:

U.S. Mission to the European Union FAS/Washington	<a href="http://useu.usmission.gov/agri/usda.html">http://useu.usmission.gov/agri/usda.html</a> <a href="http://www.fas.usda.gov">www.fas.usda.gov</a>
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European Importer Directory FAS/Paris	<a href="http://www.american-foods.org">www.american-foods.org</a> <a href="http://usda-france.fr">http://usda-france.fr</a>
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If you have any questions or comments regarding this report, or need assistance exporting to France, please contact the U.S. Agricultural Affairs Office in Paris at:

Foreign Agricultural Service  
U.S. Department of Agriculture  
Embassy of the United States of America  
2, avenue Gabriel  
75782 Paris Cedex 08, France  
Phone : (33-1) 43 12 2264  
Fax : (33-1) 43 12 2662  
Email : [laurent.journo@fas.usda.gov](mailto:laurent.journo@fas.usda.gov)  
Homepage : <http://www.usda-france.fr>

Please view our [Home Page](#) for more information on exporting U.S. food and beverage products to France, including market and product reports available on specific topics of interest to U.S. exporters.

For more information on exporting U.S. agricultural products to other countries, please visit the Foreign Agricultural Service home page at the [FAS GAIN Reports Portal](#)